Canada School of Public Service

2006-2007

Departmental Performance Report

The Honourable Vic Toews
President of the Treasury Board

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SECTION I: OVERVIEW

Minister's Message

I am pleased to present the Departmental Performance Report for the Canada School of Public Service (the School) for 2006-07.

This government is committed to rebuilding the trust of Canadians in their government. Ensuring a federal government and federal Public Service that is effective and accountable is an ongoing priority. Through its work in developing an integrated approach to learning, training and development in the Public Service, the School is contributing to building a highly skilled, well trained and professional Public Service workforce.

The School is the common learning provider for the federal government, serving the learning and leadership needs of public servants across Canada. By supporting employee development, providing leadership development for the Public Service, accelerating knowledge transfer on best practices in public sector management, and through its responsibilities for organizational learning, the School directly supports Public Service Renewal. It also contributes to instilling a shared sense of values and accountability among all public servants, in particular through the delivery of Required Training, under the terms of the Treasury Board *Policy on Learning, Training and Development* (January 2006).

The 2006-07 fiscal year was marked by important achievements at the School, most notably in the area of Required Training. With the implementation of its new programs and the ongoing review of existing courses, the School ensures that its learning activities are relevant and accessible, and that they support Public Service management priorities.

The Honourable Vic Toews

President of the Treasury Board

Management Representation Statement

I submit for tabling in Parliament, the 2006–2007 Departmental Performance Report for the Canada School of Public Service.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2006–2007 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance;
- It is based on the department's Strategic Outcome and Program Activity Architecture that were approved by the Treasury Board;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada.

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Ruth Dantzer

President and Chief Executive Officer
Canada School of Public Service

Summary Information

Department's Reason for Existence

Learning is essential in equipping the Public Service to meet the challenges of the 21st century. The acquisition of knowledge and skills and the development of managerial and leadership know-how are the foundations of an accountable, responsive, and innovative government. The Canada School of Public Service provides one-stop access to the learning, training, leadership development and professional development public servants need to effectively serve Canada and Canadians.

By ensuring public servants have timely and affordable access to the learning that they need, the School contributes to building and maintaining a modern, high quality, well managed and professional Public Service and achieves its legislative mandate to:

- encourage pride and excellence in the Public Service;
- foster a common sense of purpose, values and traditions in the Public Service;
- support the growth and development of public servants;
- help ensure that public servants have the knowledge, skills and competencies they need to do their jobs effectively;
- assist deputy heads meet the learning needs of their organization; and
- pursue excellence in public management and administration.

Financial Resources[1] ($ thousands)

2006–2007		
Planned Spending	**Total Authorities**	**Actual Spending**
$109,124	$136,100	$113,037

Human Resources (FTEs)

2006–2007		
Planned	**Actual**	**Difference**
930	966	36

[1] The increase from Planned Spending to Total Authorities is mainly due to increase in revenues, revenue carry forward, operating budget carry forward and compensation for salary adjustments. The difference between Total Authorities and Actual Spending is made up of revenues to be carried forward to fiscal year 2007-2008 according to section 18(2) of the Canada School of Public Service Act and lapses in the normal course of business. See Financial Tables, starting on page 26, for more details.

Status on Performance

Strategic Outcome: Public servants have the common knowledge and leadership and management competencies required to effectively serve Canada and Canadians				
Priority	**Expected Result**	**Performance Status**	**Planned Spending ($ thousands)**	**Actual Spending ($ thousands)**
Strengthen capacity of public servants to meet the Employer's knowledge standards: **Required Training:** ▪ **Orientation to the Public Service Program** ▪ **Authority Delegation Training & Assessment**	Public servants able to perform in their current job, take on the challenges of the next job in a dynamic, bilingual environment	Exceeded expectations	$28,887	$26,034
Public Sector management and professional foundations are built and sustained through targeted learning: **Develop a Functional Communities Strategy**	Public servants able to perform in their current job, take on the challenges of the next job in a dynamic, bilingual environment	Successfully met	$16,443	$19,906
Facilitate Official Languages capacity: **Promote a new model for Language Training**	Public servants able to perform in their current job, take on the challenges of the next job in a dynamic, bilingual environment	Exceeded expectations	$33,776	$30,962
Systemic development of high potential public servants: **Develop accelerated leadership development programs**	Public Service has strong leaders delivering results for Canadians	Successfully met	$5,436	$9,504
Enhance capacity of organizations: **Departmental client relations**	Public Service innovates to achieve excellence in delivering results for Canadians	Successfully met	$5,849	$6,051
Knowledge on innovative management practices and emerging issues is transferred: **Identify and transfer innovative practices**	Public Service innovates to achieve excellence in delivering results for Canadians	In progress	$9,261	$10,234

Context and Operating Environment

The Government of Canada is committed to a 21st century Public Service that grows human capital, nurtures innovation and manages knowledge as a strategic asset in order to best serve all Canadians. Specifically, this government has established as a clear priority ensuring a federal government and federal Public Service that is effective and accountable. Furthermore, the Public Service has signalled a focus on its renewal and has identified key areas that can support it:

- Deliver excellence in public policy, programs and services through innovative strategies and practices;
- Ensuring excellence, leadership and teamwork through improved development programs;
- Ensuring effective human resource management policies and practices; and
- Branding the Public Service as a trusted and innovative institution of national importance.

The Canada School of Public Service (the School) was created on April 1st 2004 by bringing together three institutions each with an established history and contribution to Public Service learning: the Canadian Centre for Management Development (1991), Training and Development Canada (1990) and Language Training Canada (1964). Since that time, the School has successfully managed important organizational challenges and, with its portfolio partners, implemented integrated, forward-looking measures to serve common learning needs within the Public Service of Canada.

On January 1st 2006, the Treasury Board *Policy on Learning, Training and Development* (the Policy) came into effect. The Policy highlights the value of learning and the importance of creating a learning culture within the Public Service. More specifically, it establishes employee, organization and employer learning responsibilities and outlines the employer's specific training requirements.

To deliver on the Policy, the School developed and implemented new programs in the areas of Required Training. Orientation to the Public Service, Authority Delegation Training, and Functional Community training, along with other learning activities such as leadership development, research on innovative public sector management and the promotion of the new model for language training, all contribute to ensuring that:

- New employees share a common understanding of their role as public servants;
- Managers at all levels have the necessary knowledge to effectively exercise their delegated authorities;
- Specialists in finance, human resources, internal audit, procurement, materiel management, real property, and information management meet professional standards established by the employer; and
- Employees at all levels acquire and maintain the knowledge, skills and competencies related to their level and functions.

Link to the Government of Canada Outcome

Under the whole-of-government framework, the Canada School of Public Service is a federal organization that contributes to all Government of Canada outcomes by providing learning services and support to all departments and agencies.

The School's priorities contribute to ensuring the accountability, professionalism and bilingualism of the federal Public Service. It accomplishes this through its activities that support:

- Public Servants being able to perform in their current job, take on the challenges of the next job in a dynamic, bilingual environment;
- The development of strong Public Service leaders delivering results for Canadians; and
- Public Service organizations achieving excellence in delivering results for Canadians.

SECTION II: ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME

Analysis by Program Activity

Strategic Outcome:

Public servants have the common knowledge, and leadership and management competencies required to effectively serve Canada and Canadians

The School's single strategic outcome is supported by three program activities, detailed below:

Program Activity: Public servants able to perform in their current job, take on the challenges of the next job in a dynamic, bilingual environment

Financial Resources ($ thousands)

Planned Spending	Authorities	Actual Spending
$79,106	$92,589	$76,902

Human Resources (FTEs)

Planned	Actual	Difference
701	725	24

Providing public servants with learning activities aligned with Public Service management priorities and contributing to a professional and effective Public Service.

This Program Activity is supported by three key sub-activities:

- Strengthen capacity of public servants to meet the employer's knowledge standards;
- Public sector management and professional foundations are built and sustained through targeted learning; and
- Facilitate official languages capacity.

Each sub-activity is detailed below.

Key Program Sub-Activity: Strengthen capacity of public servants to meet the employer's knowledge standards

Building individual capacity based on consistent standards for learning and performance across the Public Service.

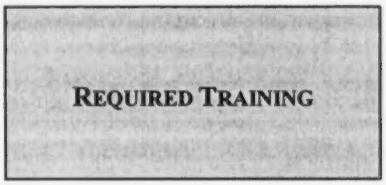
($ thousands)

Planned Spending	Authorities	Actual Spending
$28,887	$31,008	$26,034

Orientation to the Public Service Program

The federal government's Orientation to the Public Service program contributes to fostering a sense of Public Service identity by introducing new employees to a common culture based on a core set of values and ethics, an inclusive workplace and an organizational structure. The program is premised on best practices used in the private and public sectors to improve awareness of organizational values and ethics and instil employee accountability. It provides a unique opportunity to engage new public servants at the entry point of their careers and to provide them with key messages and learning with respect to their role as public servants in realizing the priorities of the Government of Canada.

As part of the Required Training courses, the program was rolled-out in 2006-07. Two-day sessions of the course were provided to more than 4,160 new public servants across Canada, including two regional pilots in Halifax and Vancouver. Participant satisfaction and feedback was very positive in post-participation surveys. Testing of students before and after taking the Orientation demonstrated appreciable knowledge gains in the key areas of how government works and Public Service Values and Ethics.



Authority Delegation Assessment

In 2006-07, more than 26,120 managers at all levels took the Authority Delegation online Assessment on Campus*direct* to validate their knowledge of the employer's knowledge standards in the areas of human resources, finance, procurement and information management. This represented a significant achievement for the School, as more managers than anticipated completed the online assessment, including approximately 5,000 in departments and agencies not subject to the *Policy on Learning, Training and Development*. Work with departmental learning coordinators was ongoing to ensure that all targeted employees were identified and registered, and systems were constantly monitored to provide public servants with efficient service. Now, for the first time, the public service has demonstrative evidence that all managers have the knowledge necessary on their delegated authorities and related policies.

The online assessment instrument was developed and completed at the beginning of the reporting period using an internationally recognized methodology to validate questions (Angoff process). It will be updated on a regular basis, in collaboration with the Canada Public Service Agency (CPSA), to reflect the Employer's Knowledge Standards and ongoing policy modifications.

Authority Delegation Training

The outcome of Authority Delegation Training (ADT) is the acquisition of the fundamental knowledge and skills to meet legal requirements, exercise authority delegation competently and, understand corporate policies and priorities. The learning program provides all managers with the mandatory training necessary to execute their delegated authorities in finance, human resources, information management and procurement in compliance with the relevant legislation.

Classroom-based ADT was rolled-out in 2006-07 and was delivered to more than 2,875 managers, from supervisor to Assistant Deputy Minister level. Evaluation ratings (post-

participation survey) were very positive, with an average 91% satisfaction rate. In addition, managers were able to access online courses in the subject-matter area through Campus*direct*.

Campus*direct*

As the online campus of the School, Campus*direct* provides public service employees with free access to its 350-plus English and French e-learning products. Campus*direct* is a key means of addressing the common learning needs of public servants and provides them with easy access to a wide variety of learning products. In 2006-07, there were 103,000 public servants registered on Campus*direct*, with an active population of 47,000 (public servants who accessed one or more on-line courses over the past 12 months). Campus*direct* is also the portal for language learning products, providing public servants with tools for language retention and maintenance, as well as targeted exercises for preparing for language testing.

Key Program Sub-Activity: Public sector management and professional foundations are built and sustained through targeted learning

Providing functional specialists with the acquisition and maintenance of knowledge, skills and competencies related to their level and functions

($ thousands)

Planned Spending	Authorities	Actual Spending
$16,443	$25,483	$19,906

Functional communities are identified and strengthened through specialized learning

Professional training aims to ensure that public servants in specialized functions such as finance; human resources; information management; and procurement, materiel management and real property (PMMRP) acquire the fundamental knowledge and skills needed to perform their job competently. To build the capacity of functional community members to perform their current job, meet the challenge of the next one, and lead change, the School developed a policy approach on functional communities that identifies business development priorities and provides guidelines for the establishment of relationships with major and emerging communities.

The communities of Information Management (IM) and Procurement, Material Management and Real Property (PMMRP) have been an early focus of this approach with base funding to support the implementation of the newly developed curricula. Training offered in 2006-07 reached some 2,850 functional specialists, the majority of which were in the IM and PMMRP communities.

DEVELOP A FUNCTIONAL COMMUNITIES STRATEGY

Other curricula developments were initiated, including with the HR community, classification advisors (in partnership with the Canada Public Service Agency), compensation advisors, the Finance community, and Federal Regulators.

The School has also worked to develop a blended learning approach, combining classroom and online learning tools. A total of seven of these products were developed and delivered to support

professionalism, accountability and leadership development topics. A blended learning product for the Orientation program will be launched in the fall of 2007. A three-year pilot project for supporting learning within communities of practice was also launched in the Quebec region.

To ensure the relevance of its general learning products, the School continuously updates existing courses. Its library of general professional development courses is composed of 140 classroom courses, of which 25 were completely reviewed during the fiscal year. In addition, 13 new courses were developed to meet new and emerging priority areas. Overall, 12,276 learners attended the School's general professional & management development courses in over 695 offerings across the country during the reporting period.

Key Program Sub-Activity: Facilitate Official Languages capacity

Facilitating a coordinated approach to Official Languages capacity to ensure the Public Service maintains a bilingual capacity, recognizing that a second official language is acquired and maintained through lifelong learning.

($ thousands)

Planned Spending	Authorities	Actual Spending
$33,776	$36,098	$30,962

A new model for language training

The outcome of this program is to effectively and efficiently provide access to language training for public servants. Based on an extensive review of the language training model in the Public Service by a group of Assistant Deputy Ministers (ADMs), the School has re-tooled the way it approaches language training. With a new language training model to be implemented on April 1, 2007, the 2006-07 fiscal year was one of transition for the School. Significant planning for the transition to the new model led to the development and gradual implementation of procedures, processes, service standards and tools for quality assurance, as well as a Master Standing Offer process, in collaboration with Public Works and Government Services Canada, to ensure the availability of external qualified language training providers.

PROMOTE A NEW MODEL FOR LANGUAGE TRAINING

Blended learning approaches were further developed, and the catalogue of language training e-learning products was extended through Campus*direct*. Over 30 online language training products were made available, and new products launched focussed mainly on proficiency maintenance, self-assessment and self-evaluation. In fact, 33% of the overall course registration on Campus*direct* was for language training products. The School also continues to provide blended language training online for use by its teachers in other government departments, and with some external service delivery organizations where a formal agreement is in place.

The School has been providing regular and ongoing progress reports on the implementation of the new language training model to the Minister, Deputy Ministers, Heads of HR, Federal

Councils, Unions and employees. An evaluation of the implementation of the new model is scheduled for 2009-10.

Training under the Action Plan for Official Languages (APLO) was ramped-up during the reporting period. A total of 617 students were trained with an overall success rate (students fulfilling statutory requirements) of 96%. The waiting list was reduced from more than 1,200 individuals in 2005-06 to 85 in 2006-07. This reduction is due to two factors: a moratorium imposed on the waiting list to provide a transition period towards the new model; and a training validation exercise that led to individuals being removed from the list due to a reassessment of their training requirements.

Program Activity: Public service has strong leaders delivering results for Canadians

Financial Resources ($ thousands)

Planned Spending	Authorities	Actual Spending
$14,908	$24,310	$19,850

Human Resources (FTEs)

Planned	Actual	Difference
114	132	18

Renewing the Public Service by building strong leadership competencies for existing and emerging managers.

Three distinct sub-activities support this Program Activity:

- Learning opportunities are accessible to enable public servants to become better leaders;
- Systemic development of high potential public servants; and
- Developing leaders with stronger contextual knowledge.

Following below are details on each of these three sub-activities.

Key Program Sub-Activity: Learning opportunities are accessible to enable public servants to become better leaders

Ensuring that current and future leaders have the leadership competencies to deliver results and lead change.

($ thousands)

Planned Spending	Authorities	Actual Spending
$7,053	$8,275	$7,057

The development of leadership competencies for managers, executives and senior leaders

The School has provided managers, executives and senior leaders with the tools and opportunities to develop, share and apply the knowledge, expertise and leadership qualities needed to be effective public sector leaders. Some 64 courses were provided to 4,650 learners (of which more than 725 were outside the National Capital Region), including courses for senior leaders, leadership competencies courses, leadership foundations and the educational components of career development programs (Management Trainee Program, Career Assignment Program and the Accelerated Executive Development Program). Course feedback indicated a 91% average satisfaction rate over the 64 courses.

In addition, new courses, learning events and tools related to leadership development were designed and developed, including:

- An orientation session for participants in the Recruitment of Policy Leaders (RPL) program;
- 360-degree feedback instrument aligned to the four key leadership competencies;
- A Leadership Reference Guide, and a Leadership Framework; and
- Two Corporate Governance training courses for board members of Crown Corporations; and
- Networking opportunities for senior executives who have recently joined the Public Service.

Training for senior leaders was developed specifically for Heads of Federal Agency, to provide them with key leadership and management information and knowledge, and Chiefs of Staff (political personnel) to broaden their understanding of key responsibilities and accountabilities.

The School's learning activities in the areas of leadership development are continuously updated. In 2006-07, a focus has been on global leadership development, including scanning on global mindset indicators and developmental practices. Furthermore, the "Understanding the World and the Future" theme was the basis for several events in support of strategically increasing public servants global awareness, reaching more than 500 public servants over the reporting period.

In collaboration with counterpart organizations in Australia, New Zealand and the United Kingdom, the School is developing the *Leadership Across Borders Program*, designed to develop public-sector leaders with a broader perspective on global issues and challenges under the Westminster model of governance. This initiative, sponsored by the respective Cabinet Secretaries, will be implemented in 2008. Sessions were organized between Canada and Sweden ("Canada-Sweden International Executive Leading for Results") and between Canada and Ireland ("Canada-Ireland International Executive Leadership and Reflection and Action") to further enhance peer sharing and strategic networks.

Key Program Sub-Activity: Systemic development of high potential public servants

Providing structured and comprehensive career development learning programs to high potential public servants that support succession planning at the corporate and government-wide level.

($ thousands)

Planned Spending	Authorities	Actual Spending
$5,436	$12,186	$9,504

The major commitments for 2006-07 in this area are related to delivery of the educational components of career development programs, development of a new leadership program and implementation of Master Standing Offers for some of these programs.

The School delivered the educational components of career development programs, including the Career Assignment Program (CAP), the Management Trainee Program (MTP) and the Accelerated Executive Development Program (AEXDP) to 596 learners who reported an overall 90% satisfaction rate.

A new leadership program, the Advanced Leadership Program (ALP), was developed as planned based on best practices in executive education and leadership development. The program aims to develop Assistant Deputy Ministers and high-potential Directors General and prepare them to occupy top positions. In 2006-07, the program was planned and designed for delivery; launching is scheduled for 2007-08 and full implementation should occur in 2008-09.

To facilitate the provision of leadership development programs and services by accredited suppliers, Master Standing Offers (MSOs) were implemented for six courses. Design of two further MSOs was also begun in 2006-07.

Key Program Sub-Activity: Developing leaders with stronger contextual knowledge

Providing organizations and their leaders with leading-edge knowledge on trends and issues of strategic importance to the Public Service, with smart practices in public management and innovative solutions to common management problems, and encouraging the adoption and application of this knowledge in the pursuit of excellence.

($ thousands)

Planned Spending	Authorities	Actual Spending
$2,419	$3,849	$3,289

This program area is designed to provide senior leaders with access to knowledge on global issues and innovations in global governance. To guide its work in this area, the School started developing an International Strategy; implementation and formative assessment will proceed in 2007-2008.

To strengthen the capacity of the Canadian Public Service to operate in a global context and enhance leadership competencies, the School built on its relationships with both the UK National

School of Government and the U.S. Federal Executive Institute. As part of this partnership, the School designed and developed a course on Canada-US engagement activities entitled *How Washington Really Works*. This highly successful workshop was delivered in a pilot session to 25 federal senior executives in Ottawa, Charlottesville and Washington.

The School also participated in the *Global Engagement Network* (GEN), a Dutch international consortium of public sector learning institutes focused on global public sector leadership and innovations in global governance. As part of GEN, the School was active in the development of a program framework for service leaders in the area of global leadership development.

The School was also an active participant in the *Commonwealth Association for Public Administration and Management* (CAPAM) for the purposes of building and maintaining partnerships between governments in mutually sharing public management good practices and relevant knowledge with foreign delegations, senior overseas representatives and Canadian public servants.

Program Activity: Public service organizations innovate to achieve excellence in delivering results for Canadians

Financial Resources ($ thousands)

Planned Spending	Authorities	Actual Spending
$15,110	$19,201	$16,285

Human Resources (FTEs)

Planned	Actual	Difference
115	109	6

Enhance the performance and effectiveness of the Public Service by documenting and transferring innovations and best practices in public management.

The above Program Activity is supported by two key sub-activities:

- Enhance capacity of organization; and
- Knowledge on innovative management practices and current issues is transferred.

These sub-activities are described below.

Key Program Sub-Activity: Enhance capacity of organizations

Providing a focal point for engaging organizations in aligning their learning agenda with departmental priorities in order to improve their performance.

($ thousands)

Planned Spending	Authorities	Actual Spending
$5,849	$7,086	$6,051

Departmental Client Relations

Departmental client relations provides departments with a single window into the School to assist them in identifying their organizations' learning needs and accessing the full range of the School's expertise and programming to meet those needs.

The School introduced the concept of the departmental client relations function in 2005-06. Capacity was built in 2006-07, when a rapport was established with 34 departments and agencies, small agency networks, Federal Regional Councils, and key interdepartmental fora (e.g. HR Council, Heads of Learning Forum). These relationships enhanced a two-way information flow between the School and departmental clients, and facilitated access to the School's programming. They are key avenues for communications, promotion, as well as identification of client needs and feedback in support of the School's business planning.

BUILD RELATIONSHIPS WITH DEPARTMENTS/AGENCIES, REGIONAL COUNCILS

In addition, the School provided support to departments and agencies in the challenging first year of implementation of the *Policy on Learning, Training and Development*. This was done through regular information sessions and individualized support.

Effectiveness of organizations in strengthened

This program area provides senior leaders and executives with expert advice and support on using organizational learning and development to address business challenges and priorities, adopt smart practices and improve the performance of their departments and agencies.

In 2006-07, the School put in place the tools required to offer expanded services to organizations facing transformational challenges. Building on the lessons learned from the *Public Service Modernization Act* (PSMA) activities, contact with several management teams was initiated to help them address their department-specific challenges (e.g. Human Resources and Social Development, Justice, Public Works and Government Services, the Small Agencies Network, Service Canada). In addition to those relationships, partnerships were initiated with the Transformation Alignment Office of Treasury Board and with the Canada Public Service Agency, both responsible for government-wide transformations. The School also researched and developed methodologies and tools designed to assist public sector transformations.

Key Program Sub-Activity: Knowledge on innovative management practices and current issues is transferred

The domestic and global environments are scanned, important trends and issues in public management are analyzed and awareness and understanding of them is built in the Public Service.

($ thousands)

Planned Spending	Authorities	Actual Spending
$9,261	$12,115	$10,234

Ensuring greater understanding of emerging issues and supporting the adoption of innovative practices

Through research activities, the School's programming is informed by state-of-the-art management practices and emerging issues related to current public sector management priorities. The aim is to identify smart and innovative practices and to develop strategies for transferring that knowledge.

A scanning system was put in place to align the School's work with public service management priorities. This includes a review of key publications, consultations with central agencies and subject-matter experts at the School, and the conduct of targeted scans on some priority issues to identify leading organizations, speakers, best practices and tools.

During the reporting period, the work on innovative management has focused mainly on accountability, leadership, and human resources management. In the area of accountability, a series of events were held and a research paper was produced on Accounting Officers, a new notion introduced by the *Federal Accountability Act*. In the area of human resources management, the School undertook research on collective staffing, the Public Service Staffing Tribunal and integrated planning, which led to the delivery of pilot seminars for director generals on the topic of integration. Further work in this area will take place in 2007-08.

In the area of leadership, the School developed a research-based learning product to help executives and middle managers learn more about the implementation of the Management Accountability Framework (MAF). A new "smart-practice action dialogue" method was developed and provides participants with problem-solving dialogue sessions based on smart-practices research and the discipline of information design (using words and pictures to communicate more effectively). This method, for now used in the MAF context, can be inserted into School courses, events and other types of learning activities in a plug-and-play fashion. Furthermore, leadership was front and centre in the identification and development of innovative practices and case studies, which were used in the *How Washington Really Works* course.

While work on innovative management practices has been significant in 2006-07, the year remained one of capacity building for the group. Methodologies were developed, research was undertaken on various topics, and learning sessions were piloted, paving the way for full implementation in 2007-08. It is expected that more products as well as a clear process for

integrating knowledge on innovation and smart practices into the School's programming will be developed in the next year.

Several learning activities were delivered for public servants, senior leaders and executives, amongst which were:

- Armchair discussions, a weekly learning opportunity for all public servants to interact with professionals and academics. Thirty-nine (39) Armchair discussions were organized in the reporting period, with more than 2,300 public servants attending.
- Conferences and events such as the Admin Conference and the Future Leaders Forum. A total of eighteen (18) conferences and events were delivered in 2006-07 and reached more than 2,650 public servants.
- The EX Forum, a safe space forum for executives to discuss issues and common challenges.
- Luncheons and seminars for Deputy Ministers (DMs), providing them with a safe space environment in which to discuss common challenges and gain insight on topics such as transformation, regulations, accountability and human resources, policy and legal issues.
- The design and delivery of a new Assistant Deputy Minister (ADM) seminar program which covers important public policy and management issues and provides community-building networking opportunities facilitating horizontal management.

In 2006-07, the School also began to reposition its university-related initiatives and made significant progress to building a stronger relationship with the academic sector. Key events with academics were held (e.g. the University Seminar and the Canada School of Public Service – Canadian Association of Programs in Public Administration Symposium), public servants were offered developmental placements in universities (seven executive were in residence in Canadian universities). In addition, two fellows were appointed to the School to advance knowledge on Canada-US relations and the *Federal Accountability Act*. The Deputy Minister University Champion Program grew in size – from eight to eleven champions – and scope, with champions now representing the entire university in which their program resides, instead of only public administration/management departments. Collectively, these activities contributed to identifying and transferring knowledge on emerging issues and smart practices in public management.

Through its Innovative Public Management Research Fund, five contributions were granted during the reporting period to support the development, management and dissemination of leading-edge knowledge relevant to the School's mandate, in particular to accelerate the adoption of innovative public management practices in the Government of Canada. New Terms of Reference were drafted, along with a new Applicant Guide to facilitate the process and ensure its relevance and value-for-money.

SECTION III: SUPPLEMENTARY INFORMATION

Organizational Information

The School is a departmental corporation whose legislative mandate flows from the *Canada School of Public Service Act* (the former *CCMD Act*, as amended by the *Public Service Modernization Act*).

Organization and Accountability

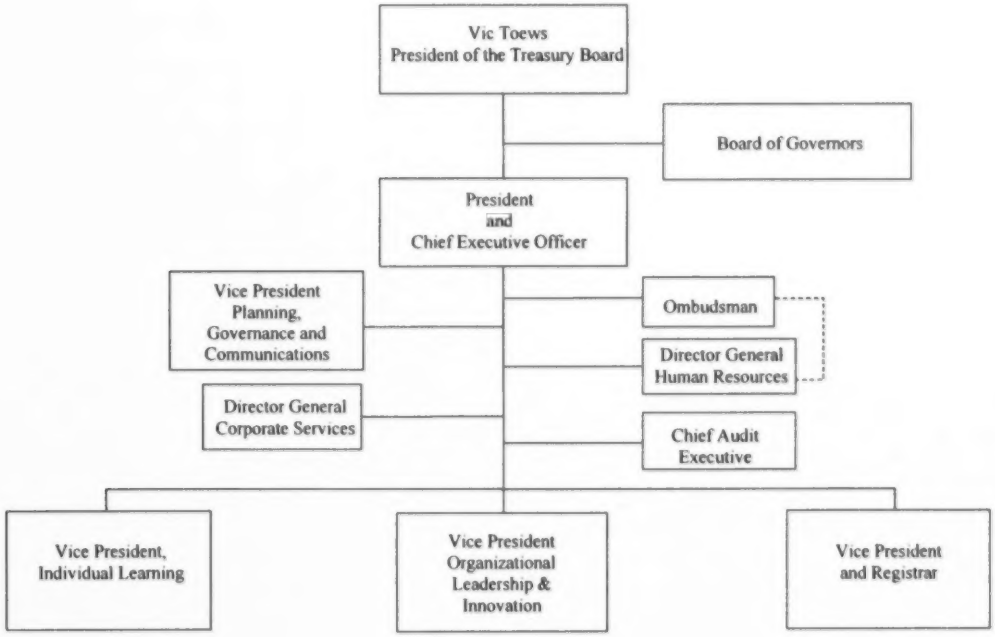
The School's Strategic Outcome - Public servants have the common knowledge and leadership and management competencies required to effectively serve Canada and Canadians - is supported by three program activities:

- Public servants able to perform in their current job, take on the challenges of the next job in a dynamic, bilingual environment
- Public Service has strong leaders delivering results for Canadians; and
- Public Service innovates to achieve excellence in delivering results for Canadians.

The School's organizational structure is loosely aligned with the Program Activity Architecture and includes

- Three major operational sectors – Individual Learning, Organizational Leadership & Innovation and the Registrar; and
- Four administrative focal points – Planning, Governance & Communications; Corporate Services; Human Resources and the Ombudsperson.

The figure below highlights the elements of the organization:



Responsibility

Individual Learning	▪ Required Training (Orientation and Authority Delegation Training) ▪ Functional Communities (design and development) ▪ Leadership and career development for managers program ▪ Professional and Management Development ▪ Language Training ▪ Blended Learning
Organizational Leadership and Innovation	▪ Innovation in Public Management ▪ Leadership Development Programs and Design ▪ Senior Leaders Program ▪ Advanced Leadership Program ▪ Strategic Organizational Change, International ▪ Visiting and Academic Fellows
Registrar	▪ Registration ▪ Evaluation ▪ Departmental Client Relations ▪ Regional Operations
Planning, Governance & Communications	▪ Strategic Policy and Planning ▪ Market Analysis ▪ Corporate Communications and Promotions ▪ Governance ▪ Conferences and Special Events
Corporate Services	▪ Information Management and Technology ▪ Financial Management ▪ Administration
Human Resources	▪ Strategic HR Planning and Programs ▪ Labour – Management Relations ▪ HR Operations ▪ Ombudsman

Governance

The School has implemented a systematic governance model. It includes

- A **Board of Governors** that is established in legislation and is responsible for the conduct and management of the School; chaired by the Clerk of the Privy Council and Secretary to Cabinet, the Board of Governors meets at least twice during each fiscal year;

- The position of **President** which is also established in legislation; the President is the chief executive officer of the School and is responsible for supervision over and direction of the work and staff of the School;

- A **Senior Executive Committee** which meets periodically to establish priorities and approve budgets, oversee the implementation of the strategic directions set by the Board of Governors and report to the Board on the School's operation;

- An **Operations Committee** which focuses on the coordination and harmonization of operational and policy issues within the School, and oversees the delivery of the School's core business;

- A **Management Committee** to assist with the operations of the School. The Committee meets periodically to inform managers of the Board's decisions on strategic directions and priorities and to provide a forum for the discussion of progress in implementing priorities;

- An **Internal Audit and Evaluation Committee** to oversee the School's corporate management framework, address horizontal management issues, and review and approve key corporate management documents; and

- A **Human Resources Committee** responsible for the review of proposed staffing strategies and, in accordance with School policies, recommend for approval by the President various HR requests. The Committee advises the Executive Committee on emerging issues and trends with respect to human resources strategies within the School.

Operational Flexibilities

The School is a departmental corporation whose legislative mandate flows from the *Canada School of Public Service Act*. The School's most significant flexibilities, as a departmental corporation, are:

- Revenue Respending Authority – 18(2)

  Subject to any condition imposed by the Treasury Board, the revenue from fees received by the School in a fiscal year through the conduct of its operations may be spent by the School for its purposes in that, or the next, fiscal year;

- Staffing Authority – 15(2)

  The President may, on behalf of the School, appoint and employ teaching and research staff and may, with the approval of the Treasury Board, establish the terms and conditions of their employment, including their remuneration; and

- Intellectual Property Management Authority – 18(1)

  The Board may, with the approval of the Treasury Board, prescribe the fees or the manner of determining the fees to be charged by the School when selling, licensing the use of or otherwise making available any copyright, trade-mark or other similar property right held, controlled or administered by the School.

For additional information see http://www.myschool-monecole.gc.ca/about/gov_struc_e.html.

Financial Tables

Table 1: Comparison of Planned to Actual Spending (including Full-time Equivalents)

This table offers a comparison of the Main Estimates, Planned Spending, Total Authorities, and Actual Spending for the most recently completed fiscal year, as well as historical figures for Actual Spending.

The $2.1million decrease in 2006-2007 from Main Estimates ($111.2M) to Planned Spending ($109.1M) is the result of reductions related to funding for Learning in the Public Sector and the expenditure review on procurement.

The $27 million increase in 2006-2007 from Planned Spending ($109.1M) to Total Authorities ($136.1M) is mainly due to:

Increase in revenues	$12.6M
Revenue carry forward	$9.7M
Operating Budget carry forward	$1.7M
Compensation for salary adjustments	$0.5M

The $23.1 million difference in 2006-2007 between Total Authorities ($136.1M) and Actual Spending ($113M) is made up of: revenues to be carried forward to fiscal year 2007-2008 according to section 18(2) of the Canada School of Public Service Act; and lapses in the normal course of business.

The $12.6 million increase in spending from 2005-2006 ($100.4M) to 2006-2007 ($113M) can be accounted for by: an increase in the level of funding for Learning in the Public Sector; and a decrease due to the end of funding for the Public Service Modernization Act.

The $21 million increase in spending from 2004-2005 ($79.4M) to 2005-2006 ($100.4M) is mainly due to new funding for Learning in the Public Sector and the Public Service Modernization Act, as well as compensation for salary adjustments.

($ thousands)	2004–05 Actual	2005–06 Actual	2006–07			
			Main Estimates	Planned Spending	Total Authorities	Total Actuals
New Program Activities						
Public Servants able to perform in their current job, take on the challenges of the next job in a dynamic, bilingual environment				79,106	92,590	76,902
Public Service has strong leaders delivering results for Canadians				14,908	24,309	19,850
Public Service organizations innovate to achieve excellence in delivering results for Canadians				15,110	19,201	16,285
Old Program Activities						
Develop, Manage, Disseminate of Knowledge Products	8,851	16,564	16,949	Note 1	Note 1	Note 1
Manage the Provision of Learning Services	70,597	83,787	94,236	Note 1	Note 1	Note 1
Total	**79,448**	**100,351**	**111,185**	**109,124**	**136,100**	**113,037**
Less: Non-respendable revenue (note 2)	(12,000)	(6,143)	N/A	N/A	(480)	N/A
Less: Respendable revenue (pursuant to section 18(2) of the CSPS act) (note 2)	(11,496)	(19,474)	(20,000)	(20,000)	(42,341)	(26,750)
Plus: Cost of services received without charge (3)	7,256	12,024	N/A	12,568	N/A	12,648
Total Departmental Spending	**63,208**	**86,758**	**91,185**	**101,692**	**93,279**	**98,935**
Full-time Equivalents	732.6	844.0	N/A	930.0	N/A	966.0

Notes:

(1) Adjustments have been made to the program activity architecture for the Canada School of Public Service due to a change in focus of its mandate. As a result, the program activity Develop, Manage, Disseminate Knowledge Products and the program activity Manage the Provision of Learning Services have been replaced with three new program activities which better reflect the business model of the School. (see Table 2: Crosswalk)

(2) Table 5 contains further details on respendable and non-respendable revenues.

(3) Table 4 contains further details on Cost of services received without charge

Table 2A: Resources by Program Activity

Adjustments have been made to the program activity architecture for the Canada School of Public Service due to a change in focus of its mandate. As a result, the program activity Develop, Manage, Disseminate Knowledge Products and the program activity Manage the Provision of Learning Services have been replaced with three new program activities which better reflect the business model of the School.

	New Program Activities			
Old Program Activities	Public servants able to perform in their current job, take on the challenges of the next job in a dynamic, bilingual environment	Public Service has strong leaders delivering results for Canadians	Public Service organizations innovate to achieve excellence in delivering results for Canadians	**Total**
2006-2007 Main Estimates ($ thousands)				
Develop, Manage and Disseminate Knowledge Products	7,410	2,419	7,120	**16,949**
Manage the Provision of Learning Services	73,677	12,529	8,030	**94,236**
Total	**81,087**	**14,948**	**15,150**	**111,185**

Table 2B: Resources by Program Activity

The following table provides information on how resources are used for the most recently completed fiscal year.

($ thousands)

2006–07					
	Budgetary				
Program Activity	**Operating**	**Contributions and Other Transfer Payments**	**Total: Gross Budgetary Expenditures**	**Less: Respendable Revenue**	**Total: Net Budgetary Expenditures**
Public Servants able to perform in their current job, take on the challenges of the next job in a dynamic, bilingual environment					
Main Estimates	81,087		81,087	(10,233)	70,854
Planned Spending	79,106		79,106	(10,233)	68,873
Total Authorities	92,590		92,590	(30,268)	62,322
Actual Spending	76,902		76,902	(19,123	57,779
Public Service has strong leaders delivering results for Canadians					
Main Estimates	14,948		14,948	(4,731)	10,217
Planned Spending	14,908		14,908	(4,731)	10,177
Total Authorities	24,309		24,309	(8,328)	15,981
Actual Spending	19,850		19,850	(5,261)	14,589
Public Service organizations innovate to achieve excellence in delivering results for Canadians					
Main Estimates	14,850	300	15,150	(5,036)	10,114
Planned Spending	14,810	300	15,110	(5,036)	10,074
Total Authorities	18,885	316	19,201	(3,745)	15,456
Actual Spending	15,969	316	16,285	(2,366)	13,919
Total					
Main Estimates	110,885	300	111,185	(20,000)	91,185
Planned Spending	108,824	300	109,124	(20,000)	89,124
Total Authorities	135,784	316	136,100	(42,341)	93,759
Actual Spending	112,721	316	113,037	(26,750)	86,287

Table 3: Voted and Statutory Items

This table primarily replicates the summary table listed in the Main Estimates. Resources are presented to Parliament in this format. Parliament approves the voted funding and the statutory information is provided for information purposes

($ thousands)

Vote or Statutory Item	Truncated Vote or Statutory Wording	2006–07			
		Main Estimates	Planned Spending (1)	Total Authorities (2)	Total Actuals (3)
25	Operating expenditures	84,641	82,580	85,098	77,626
(S)	Contributions to employee benefit plans	6,544	6,544	8,642	8,642
(S)	Spending of revenues	20,000	20,000	42,341	26,750
(S)	Spending of proceeds from the disposal of surplus Crown assets	-	-	19	19
	Total	**111,185**	**109,124**	**136,100**	**113,037**

(1) Planned Spending is from the 2006-2007 Report on Plans and Priorities (RPP)
(2) The Total Authorities refers to the total spending authorities received during this fiscal year (i.e. through Main Estimates, Supplementary Estimates, Statutory Authorities)
(3) The Total Actuals can be found in the 2006-2007 Public Accounts
(S) Indicates expenditures the Department is required to make that do not require an appropriation act

Table 4: Services Received Without Charge

($ thousands)	2006–07 Actual Spending
Accommodation provided by Public Works and Government Services Canada	8,499
Contributions covering the employer's share of employees' insurance premiums and expenditures paid by the Treasury Board of Canada Secretariat (excluding revolving funds); employer's contribution to employees' insured benefits plans and associated expenditures paid by the Treasury Board of Canada Secretariat	4,419
Total 2006–07 Services received without charge	**12,648**

Table 5: Sources of Respendable and Non-respendable Revenue

Respendable Revenue:

Planned Revenues are those forecasted to be collected at the time of the publication of the 2006-2007 Report on Plans and Priorities. **Total Authorities** are the revenues collected in 2006-2007 plus the carry forward of collected revenues in 2005-2006 pursuant to section 18(2) of the Canada School of Public Service Act. The **Actuals** are the level of revenues expended in 2006-2007. The $15.6 million variance between Total Authorities and the Actuals will be carried forward to year two (i.e. 2007-2008)

Non-Respendable Revenue:

The Actuals reflected for 2004-2005 and 2005-06 are based on the previous Canadian Centre for Management Development (CCMD) non-respendable revenue forecasts. The Total Authorities in 2006-07 are revenues collected which are not eligible to be respent by the School.

			2006–07			
($ thousands)	**Actual 2004-05**	**Actual 2005-06**	**Main Estimates**	**Planned Revenue**	**Total Authorities**	**Actual**
Public servants able to perform in their current job, take on the challenges of the next job in a dynamic, bilingual environment				10,233	30,268	19,123
Public Service has strong leaders delivering results for Canadians				4,731	8,328	5,261
Public Service organizations innovate to achieve excellence in delivering results for Canadians				5,036	3,745	2,366
Develop, Manage, Disseminate Knowledge Products	1,069	3,093	1,592			
Manage the Provision of Learning Services	10,427	16,381	18,408			
Total Respendable Revenue	**11,496**	**19,474**	**20,000**	**20,000**	**42,341**	**26,750**

Non-respendable Revenue

($ thousands)	Actual 2004–05	Actual 2005–06	2006–07			
			Main Estimates	Planned Revenue	Total Authorities	Actual
Canada School of Public Service	12,000	6,143	N/A	N/A	480	N/A
Total Non-respendable Revenue	**12,000**	**6,143**	**N/A**	**N/A**	**480**	**N/A**

Table 6: Resource Requirements by Branch or Sector

($ thousands)

2006–07				
Branch	Public servants able to perform in their current job, take on the challenges of the next job in a dynamic, bilingual environment	Public Service has strong leaders delivering results for Canadians	Public Service organizations innovate to achieve excellence in delivering results for Canadians	**Total**
President's Office				
Planned Spending	402	43	98	543
Actual Spending	732	171	80	983
Corporate Services				
Planned Spending	11,731	1,106	988	13,825
Actual Spending	11,003	6,210	459	17,672
Human Resources				
Planned Spending	2,128	230	518	2,876
Actual Spending	3,173	741	345	4,259
Planning, Governance & Communications				
Planned Spending	8,228	890	2,001	11,119
Actual Spending	2,763	542	3,237	6,542
Individual Learning				
Planned Spending	45,907	2,034	652	48,593
Actual Spending	44,108	4,721	664	49,493
Organizational Leadership & Innovation				
Planned Spending	1,303	10,605	5,692	17,600
Actual Spending	76	7,465	3,604	11,145
Registrar and Regional Operations				
Planned Spending	9,406		5,162	14,568
Actual Spending	15,048		7,895	22,943
Total				
Planned Spending	79,105	14,908	15,111	109,124
Actual Spending	76,903	19,850	16,284	113,037

Table 7: User Fees

User Fee	Fee Type	Fee-setting Authority	Date Last Modified	2006-2007					Planning Years		
				Forecast Revenue $0	Actual Revenue $0	Full Cost $0	Performance Standard	Performance Results	Fiscal Year	Forecast Revenue $0	Estimated Full Cost $0
Fees charged for the processing of access requests filed under the Access to Information Act (ATIA)	Other products and services (O)	*Access to Information Act*	1992	0.20	0.19	70.08	Response provided within 30 days following receipt of request; the response time may be extended pursuant to section 9 of the ATIA. Notice of extension to be sent within 30 days after receipt of request	30 day processing standard met	2007-2008 2008-2009 2009-2010	0.25 0.25 0.25	70.08 70.08 70.08

Table 8: Financial Statements (unaudited) for the year ended March 31, 2007

Management Responsibility for Financial Statements

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2007 and all information contained in these statements rests with the management of the Canada School of Public Service ("the School"). These financial statements have been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Management is responsible for the integrity and objectivity of information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgement and gives due consideration to materiality. To fulfil its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the School's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in the School's *Departmental Performance Report* is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the *Financial Administration Act* and the *Canada School of Public Service Act,* are executed in accordance with prescribed regulations, within Parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the department.

The financial statements of the School have not been audited.

Jamie Tibbetts	Ruth Dantzer
Senior Financial Officer	President and CEO

Ottawa, Canada

_____ 2007

Canada School of Public Service
Statement of Operations (Unaudited)
For the year ended March 31

(in thousands of dollars)

	2007			2006
	Knowledge Products Program	*Learning Services Program*	Total	Total
Transfer payments	**316**	**-**	**316**	**160**
Operating expenses				
Salaries and employee benefits	13,240	56,035	69,275	63,063
Professional and special services	5,328	27,095	32,423	25,800
Rental of accommodation and equipment	1,506	9,971	11,477	10,518
Transportation and telecommunications	781	4,351	5,132	3,769
Small equipment and parts	785	2,333	3,118	3,753
Utilities, materials and supplies	204	2,043	2,247	1,724
Loss on write-off of tangible capital assets	170	964	1,134	-
Printing and publishing	82	795	877	1,855
Amortization of tangible capital assets	121	688	809	551
Repair and maintenance	41	264	305	554
Other operating expenses	5	123	128	65
Total Operating expenses	**22,263**	**104,662**	**126,925**	**111,652**
Total Expenses	**22,579**	**104,662**	**127,241**	**111,812**
Revenues				
Sales of Goods and Services	1,706	31,353	33,059	31,717
Other Revenues	7	39	46	34
Total Revenues	**1,713**	**31,392**	**33,105**	**31,751**
Net Cost of Operations	**20,866**	**73,270**	**94,136**	**80,061**

The accompanying notes form an integral part of these financial statements.

Statement of Financial Position (Unaudited)
At March 31

(in thousands of dollars)

	2007	2006
Assets		
Financial assets		
Accountable advances	11	25
Accounts receivable	6,882	2,007
Total financial assets	**6,893**	**2,032**
Non-financial assets		
Prepaid expenses	150	-
Inventories	-	78
Tangible capital assets (Note 4)	4,707	4,707
Total non-financial assets	**4,857**	**4,785**
Total	**11,750**	**6,817**
Liabilities		
Accounts payable and accrued liabilities	21,384	18,720
Provision for vacation leave	3,003	2,250
Employee severance benefits (Note 5)	8,641	6,710
Other liabilities	6	20
Total liabilities	**33,034**	**27,700**
Equity of Canada	**(21,284)**	**(20,883)**
Total	**11,750**	**6,817**

Contractual obligations (Note 6)
The accompanying notes form an integral part of these financial statements.

Statement of Equity of Canada (Unaudited)

For the year ended March 31

(in thousands of dollars)

	2007	2006
Equity of Canada, beginning of year	**(20,883)**	**(22,532)**
Net cost of operations	(94,136)	(80,061)
Current year appropriations used (Note 3a)	113,037	100,352
Change in net position in the Consolidated Revenue Fund (Note 3c)	(31,950)	(30,666)
Services provided without charge by other government departments (Note 7)	12,648	12,024
Equity of Canada, end of year	**(21,284)**	**(20,883)**

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flow (Unaudited)
For the year ended March 31

(in thousands of dollars)

	2007	2006
Operating Activitites		
Net cost of operations	94,136	80,061
Non-cash items:		
Amortization of tangible capital assets	(809)	(551)
Loss on write-off of tangible capital assets	(1,134)	-
Services provided without charge	(12,648)	(12,024)
Variations in Statement of Financial Position:		
Increase in accounts receivable and accountable advances	4,861	357
Increase (decrease) in prepaid expenses and inventories	72	(44)
(Increase) in liabilities	(5,334)	(1,056)
Cash used by operating activities	**79,144**	**66,743**
Capital Investment Activities		
Net acquisition of tangible capital assets	1,943	2,943
Cash used by capital investment activities	**1,943**	**2,943**
Net cash provided by Government of Canada	**81,087**	**69,686**

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements (Unaudited)
For the year ended March 31, 2007

Authority and Objectives

On April 1, 2004, amendments to the *Canadian Centre for Management Development Act* were proclaimed and the organization was renamed the Canada School of Public Service (the School). The amended legislation, now entitled the *Canada School of Public Service Act*, continues and expands the mandate of the former organization as a departmental corporation. The School reports to the President of the Treasury Board, through a Board of Governors made up of representatives of the private and public sectors.

The School is the common learning service provider for the Public Service of Canada. It brings a unified approach to serving the common learning and development needs of public servants and helps ensure that all public service employees across Canada have the knowledge and skills they need to meet the employer's knowledge standard and deliver results for Canadians.

Through its programming, the School delivers on its legislative mandate to encourage pride and excellence in public service and to foster a common sense of purpose, values and traditions. It helps to ensure that public servants have the knowledge, competencies and skills they need to serve Canada and Canadians and supports the growth and development of public servants committed to the service of Canada. The School assists deputy heads in meeting their organization's learning needs and pursues excellence in public sector management and public administration.

1. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Significant accounting policies are as follows:

(a) Parliamentary appropriations - The School is primarily financed by the Government of Canada through Parliamentary appropriations. Financial reporting for appropriations provided to the School do not parallel financial reporting according to generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the statement of operations and in the statement of financial position are not necessarily the same as those provides through appropriations from Parliament. Note 3 provides a high-level reconciliation between the two bases of reporting.

(b) Net Cash Provided by Government – The School operates within the Consolidated Revenue Fund (CRF) which is administered by the Receiver General for Canada. All cash received by the School is deposited to the CRF and all cash disbursements made by the School are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.

(c) **Change in net position in the Consolidated Revenue Fund** – It represents the difference between the net cash provided by Government and appropriations used in a year, excluding the amount of non respendable revenue recorded by the department. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

(d) **Revenues** – Revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues.

(e) **Expenses** – Expenses are recorded on the accrual basis:

- **Vacation leave** – Vacation leave is expensed as the benefits accrue to the employees under their respective terms of employment. The liability for vacation leave is calculated at the salary levels in effect at the end of the year for all unused vacation balances.
- **Services provided without charge** – Services provided without charge by other government departments for accommodation and the employer's contribution to the health and dental insurance plans are recorded as operating expenses, at their estimated cost, in the statement of operations. A corresponding amount is reported directly in the Statement of Equity of Canada.

(f) **Employee future benefits**

- **Pension benefits** – Eligible employees participate in the Public Service Pension Plan, a multiemployer plan administered by the Government of Canada. The School's contributions to the Plan are charged to expenses in the year incurred and represent the total School's obligation to the Plan. Current legislation does not require the School to make contributions for any actuarial deficiencies of the Plan.
- **Severance benefits** – Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them.

The obligation related to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(g) **Accounts receivable** – Accounts receivable are stated at amounts expected to be ultimately realized. A provision is made for receivables where recovery is considered uncertain.

(h) **Inventories** – Inventories consist of spare parts and supplies held for future program delivery and are not intended for re-sale. They are valued at cost. If they no longer have service potential, they would be valued at the lower of cost or net realizable value.

(i) **Tangible capital assets** – All tangible capital assets (including leasehold improvements) having an initial cost of $5,000 or more are recorded at their acquisition cost less

accumulated amortization. Similar items under $ 5,000 are expensed in the statement of operations.

Amortization of tangible capital assets is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Asset class	Useful life
Machinery and equipment	5 years
Other equipment (including furniture)	5 years
Informatics hardware	5 years
Software (including developed software)	3-6 years
Motor vehicle	4 years
Leasehold improvements	10 years

(j) **Measurement uncertainty** – The preparation of these financial statements in accordance with Canadian generally accepted accounting principles for the public sector requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of expenses and revenues during the reporting period. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant estimates used are the useful life of tangible capital assets and the liability for employee severance benefits. Actual results could differ from those estimates. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

3. Parliamentary Appropriations

The School receives most of its funding through Parliamentary appropriations. Items recognized in the statement of operations and the statement of financial position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, the School has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

(a) Reconciliation of net cost of operations to current year appropriations used

(in thousands of dollars)

	2007	2006
Net cost of operations	**94,136**	**80,061**
Adjustments for items affecting net cost of operations but not affecting appropriations		
Add (Less):		
Revenues	33,105	31,745
Services provided without charge	(12,648)	(12,024)
Employee severance benefits	(1,931)	(1,321)
Loss on write-off of tangible capital assets	(1,134)	-
Amortization of tangible capital assets	(809)	(551)
Vacation leave	(753)	(275)
Other	993	(222)
	16,823	17,352
Adjustments for items not affecting net cost of operations but affecting appropriations		
Add (Less):		
Net acquisition of tangible capital assets	1,943	2,943
Prepaid expenses	150	-
Other	(15)	(4)
	2,078	2,939
Current year appropriations used	**113,037**	**100,352**

(b) Reconciliation of Parliamentary appropriations provided to current year appropriations used

	(in thousands of dollars) 2007	2006
Parliamentary Appropriations Voted:		
Program expenditures (Vote 25)	84,641	48,670
Governor General's special warrants	-	27,699
Transfer from Treasury Board (Vote 15)	457	-
Less:		
Lapsed appropriation – Program expenditures (vote 25)	(7,472)	(3,442)
Total appropriations used	**77,626**	**72,927**
Statutory authorities:		
Spending of revenues pursuant to subsection 18 (2) of the *Canada School of Public Services Act*	26,750	19,474
Contributions to employee benefit plans	8,642	7,951
Spending of proceeds from the disposal of surplus Crown assets	19	-
Total Statutory Authorities used	**35,411**	**27,425**
Current year appropriations used	**113,037**	**100,352**

(c) Reconciliation of net cash provided by Government to current year appropriations used

	(in thousands of dollars) 2007	2006
Net cash provided by Government	**81,087**	**69,686**
Revenues	33,105	31,751
Change in net position in the Consolidated Revenue Fund		
Variation in accounts receivable and accountable advances	(4,861)	(357)
Variation in accounts payable and other liabilities	2,650	(540)
Other adjustments	1,056	(188)
	(1,155)	(1,085)
Current year appropriations used	**113,037**	**100,352**

4. Tangible Capital Assets

(in thousands of dollars)

	2007									2006
	Cost				Accumulated amortization					
	Opening balance	Acquisi-tions	Disposals and write-offs[1]	Closing balance	Opening balance	Amorti zation	Disposals and write-offs [1]	Closing balance	Net book value	Net book value
Machinery and equipment	483	-	-	483	407	59	(3)	469	14	76
Other equipment (including furniture)	391	90	60	421	190	41	36	195	226	201
Informatics hardware	3,271	499	1,149	2,621	907	300	95	1,112	1,509	2,364
Software (including developed software)	2,066	1,287	-	3,353	571	344	(51)	966	2,387	1,494
Motor vehicle	30	-	-	30	3	4	-	7	23	27
Leasehold improvements	591	67	-	658	47	61	(2)	110	548	545
Total	6,832	1,943	1,209	7,566	2,125	809	75	2,859	4,707	4,707

[1] A tangible capital asset review was conducted in 2007 and resulted in assets' write-offs.

5. Employee Future Benefits

(a) Pension benefits

The School and all eligible employees contribute to the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plans benefits and they are indexed to inflation.

The 2006-07 expense amounts to $ 1,365,512 ($ 1,272,161 in 2005-06), which represents approximately 2.2 times (2.6 in 2005-06) the contributions by employees.

The School's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

(b) Employee severance benefits

The School provides severance benefits to its employees based on eligibility, years of service and final salary. The severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, measured as at March 31 is as follows:

(in thousands of dollars)

	2007	2006
Accrued benefit obligation, beginning of year	6,710	5,389
Expense for the year	3,315	2,194
Benefits paid during the year	(1,384)	(873)
Accrued benefit obligation, end of year	**8,641**	**6,710**

6. Contractual Obligations

The nature of the School's activities can result in some large multi-year contracts and obligations whereby it will be obligated to make future payments when the services will be rendered or goods received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

(in thousands of dollars)

	2008	2009	2010	2011	2012 and thereafter	Total
Goods and services	1,496	1,446	1,516	1,579	5,772	**11,809**
Operating leases	878	751	156	-	-	**1,785**
Total	**2,374**	**2,197**	**1,672**	**1,579**	**5,772**	**13,594**

7. Related Party Transactions

The School is related as a result of common ownership to all Government of Canada departments, agencies and Crown corporations. The School enters into transactions with these entities in the normal course of business and on normal trade terms. Also, during the year, the School received services which were obtained without charge from other Government departments and agencies as presented in part (a).

(a) Services provided without charge

The costs of these services have been recognized as an expense in the School's Statement of Operations as follow:

	(in thousands of dollars)	
	2007	**2006**
Accommodation received from Public Works and Government Services Canada (PWGSC)	8,499	8,361
Contributions covering employer's share of employees' insurance premiums and expenditures paid by Treasury Board Secretariat (TBS)	4,149	3,663
Total	**12,648**	**12,024**

The Government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all without charge. The cost of these services, which include payroll and cheque issuance services provided by Public Works and Government Services Canada are not included as an expense in the School's Statement of Operations.

(b) Payables and receivables outstanding at year-end with related parties

	(in thousands of dollars)	
	2007	**2006**
Accounts receivable from other government departments and agencies	6,650	1,824
Accounts payable to other government departments and agencies	5,136	5,780

8. Comparative Information

Comparative figures have been reclassified to conform to the current year's presentation.

Table 9: Response to Parliamentary Committees, and Audits and Evaluations

Response to Parliamentary Committees
None

Response to the Auditor General of Canada, including to the Commissioner of the Environment and Sustainable Development (CESD)
None

External Audits (Note: These refer to other external audits conducted by the Public Service Commission of Canada or the Office of the Commissioner of Official Languages.)
None

Internal Audits
An internal audit report on procurement, initiated in 2005 (as a pilot project in partnership with the Department of Finance/Treasury Board Secretariat Internal Audit and Evaluation group), was received by the School in May 2007. While this is outside of the reporting period of 2006-07, most issues outlined in the audit report have already been addressed by the School, and an official management response is being developed. A corporate risk profile was prepared during the reporting period, and the School has been working towards building an internal audit capacity to meet the requirements of the new Policy on Internal Audit. An internal audit plan will be developed during the next planning period.

SECTION IV: OTHER ITEMS OF INTEREST

Program Activity: Corporate Services

Effective decision making supported through integrated advice and information strategies and the provision of high quality corporate services.

Financial Resources ($ thousands)

Corporate Services	Planned Spending	Authorities	Actual Spending
Corporate Management	2,209	5,405	4,540
Corporate Administration	13,825	18,455	17,672
Human Resources	2,876	4,958	4,259
Registrar	1,396	6,084	5,292
Total: Corporate Services	**20,306**	**34,902**	**31,763**

Human Resources (FTEs)

Planned	Actual	Difference
198	213	15

Corporate Services contribute to the development, administration and delivery of the School's learning activities through the provision of sound corporate planning; financial, human resources and information management; information technology; registration services; administrative and materiel management services. Corporate Services also contribute to promoting modern management practices and ensure that the School implements new government initiatives and complies with all government policies and directives. Highlighted below are the details of the results achieved in 2006-07 by Program Sub-Activity.

Corporate governance enables the School to meet its strategic objectives

The School started the revitalization of its Board of Governors, including the appointment of new members. New Board members were provided with an orientation session on the School's operations to assist them in their responsibilities. Furthermore, a calendar of meetings was defined and was articulated around the School's planning and reporting cycle.

Effective policy & planning advice/analysis support corporate decision-making process

In 2006-07, the School implemented and managed an integrated business planning process that is fully aligned with its Program Activity Architecture (PAA). Senior personnel performance was measured against key commitments from this planning exercise. Human resources will be fully integrated into the process over the next fiscal year.

Effective Communication and Marketing Support the School Agenda

In 2006-2007, a communications plan was implemented to increase horizontal communication processes, thereby facilitating information flow between the Treasury Board portfolio, clients, portfolio directors and employees. This was supported by quarterly promotional campaigns,

monthly President's Newsletters, Spotlight on Learning newsletters and regional bulletins, as well as the development of a promotional briefing book for the Client Contact Centre (Registrar).

Improvements to the intranet site were made following a user feedback survey, and key messaging on School priorities was updated regularly for use by employees. The internet web site was restructured to coordinate with the division of learning populations, allowing clients to more easily access the information they sought.

A marketing strategy was developed in 2006-2007 to position the School as a key provider of learning in the Public Service, promote an understanding of continuous learning, build stronger relationships with organizations, functional communities and learner and develop better intelligence on clients, markets and demographics.

Registration and Learner Reporting

In 2006-2007, the School registered 90,000 students to 940 courses in 1,666 offerings. Monthly reports were provided to all departments and agencies summarizing their employees' participation on School learning activities, and documenting results for required training courses.

The School has also been planning and developing a new integrated registration system. In March 2007, the Preliminary Project Approval (the first phase of approbations) was approved by the Treasury Board. Tabling of the Effective Project Approval (second phase) is expected for early 2008.

Learning Evaluation & Quality Assurance

Level 1 (Reaction) evaluation instruments were refined and updated, a process that included significant consultations with the School's stakeholders. A pilot of online administration of level 1 evaluations was successfully undertaken, and full implementation is planned for 2007-08 using the updated version of the Level 1 reaction questionnaires. Best practices for levels 2 (Learning) and Level 3 (Transfer) were researched and documented.

Quality assessment standards for the School's learning initiatives were established and a Performance Measurement Framework is currently underway, as per the timeline set out by the Treasury Board Secretariat (implementation of Step 2 of the Management, Resources, and Results Structure). A risk-based, multi-year corporate evaluation plan has been drafted and evaluations of key priorities for the School were initiated. For example, ongoing evaluation-related work is being conducted for the Orientation to the Public Service program and for the School's work under the *Action Plan for Official Languages* (APOL).

High quality corporate services and advice enables the School to meet its objectives

Information Technology (IT) and Information Management (IM)
The School's IT infrastructure was renewed and an evergreen plan for the entire infrastructure was developed. A strategic service agreement was signed with Public Works and Government Services Canada (PWGSC) for the transfer of IT infrastructure and supporting services in the fall of 2006.

During the reporting period, the School started implementing the Government-wide shared system for web content management. The information classification structure was redesigned in preparation for the implementation of the Records, Document and Information Management System (RDIMS) pilot project.

An integrated Information Management/Information Technology plan was developed and was approved by Treasury Board Secretariat/Chief Information Officer Branch as part of the Integrated Learner Management System initiative.

Facilities and Assets Management
A Business Continuity Policy was developed for the School. A response guide is currently being finalized, which will lead the way for the establishment of a business continuity steering committee and readiness team.

In collaboration with PWGSC, a five year National Accommodation plan was developed and is now being implemented. As part of a review of responsibilities for Access to Information and Privacy (ATIP), training and awareness activities were conducted as required.

Business Improvement & Financial Services
During 2006-07 the Comptrollership and Quality Assurance division completed the documentation and internal controls testing of approximately 30 financial processes related to the preparation of Financial Statements. The implementation of the internal control system was initiated and procedures and activities are ongoing. Business process improvement measures have been implemented to improve the School's financial management and address audit readiness recommendations, which represents the first step towards the production of auditable financial statements.

A review of costing practices was undertaken, which included capacity review and staff engagement. A working group was established to review the needs and challenges associated with the development of a framework for a standardized costing model. Testing of the new model should occur in the fall of 2007, with full implementation scheduled for 2008-09.

Human Resources are managed effectively and strategically in support of corporate objectives

The School has been focusing on developing corporate staffing plans for critical talent including official languages. In 2006-07, ten collective processes were undertaken, resulting in 120 appointments. This contributed to reducing the use of temporary staffing measures, including acting appointments. Furthermore, 18 other collective processes have been identified for the coming fiscal years and will meet 80% of the School's staffing requirements.

As of March 31st, 2007, 99% of the employees met the language requirements of their positions and over 90% of the positions were identified as bilingual.

Workforce analysis at the end of the reporting period indicated that, with respect to employment equity, visible minorities were the only group with an identified gap. On that front, the School is slightly under-represented with 6.1% compared to 7.6% of workforce availability. Through the upcoming collective processes, sub-delegated managers will be mandated to ensure that employment equity needs are taken into consideration by establishing appointment targets for

each occupational group. The Employment Equity plan is also comprised of four other activities such as communication, training, policies and reporting which will be implemented in 2007-08 in collaboration with bargaining agents.

The School is committed to create a participatory and informal climate and culture, where employees feel included in its operations. To that effect, "Welcome to the School" sessions for new employees were conducted and continue to be held three times a year and contribute to employees' understanding of the School's strategic direction. Furthermore, key commitments for all executives were posted on the intranet, contributing to communicating the School's priorities. To ensure that employees make the most of the learning opportunities available to them, all executives have committed in their Performance Management Agreements to developing learning plans with their employees.

Internal conflict resolution

Working with Human Resources, the Informal Conflict Management System (ICMS) was incorporated into the formal grievance and complaint processes. The services of ICMS are offered to employees throughout the redress process. The role of ICMS and the Ombudsman office has been communicated out to staff across the country, and sessions on ICMS training have been developed and piloted during the reporting period. In addition, an ICMS complaint process for the School's clients and partners is being established.

Audits are used to improve departmental policies, programs and management

An internal audit report on procurement, initiated in 2005 (as a pilot project in partnership with the Department of Finance/Treasury Board Secretariat Internal Audit and Evaluation group), was received by the School in May 2007. While this is outside of the reporting period of 2006-07, most issues outlined in the audit report have already been addressed by the School, and an official management response is being developed.

The School has been working towards building its internal audit capacity to meet the requirements of the new Policy on Internal Audit, and an internal audit plan should be developed during the next planning period.

Other References:

The following provide useful links to the School's website as well as important documents/publications.

Selected Websites	
Canada School of Public Service	http://www.csps-efpc.gc.ca
Treasury Board Secretariat	http://www.tbs-sct.gc.ca
Canada Public Service Agency	http://www.psagency-agencefp.gc.ca
Public Service Commission	http://www.psc-cfp.gc.ca
Selected Documents – Building Blocks of a Modern Public Service	
Treasury Board Policy on Learning, Training and Development	http://www.tbs-sct.gc.ca/pubs_pol/hrpubs/TB_856/ltd-afp_e.asp
Public Service Modernization Act	http://www.psmod-modfp.gc.ca/initiatives/psma-lmfp_e.asp
Values & Ethics Code	http://www.tbs-sct.gc.ca/pubs_pol/hrpubs/TB_851/vec-cve_e.asp
Management Accountability Framework	http://www.tbs-sct.gc.ca/maf-crg/index_e.asp
Action Plan for Official Languages	http://www.pco-bcp.gc.ca/olo/default.asp?Language=E&Page=Action&doc=cover_e.htm